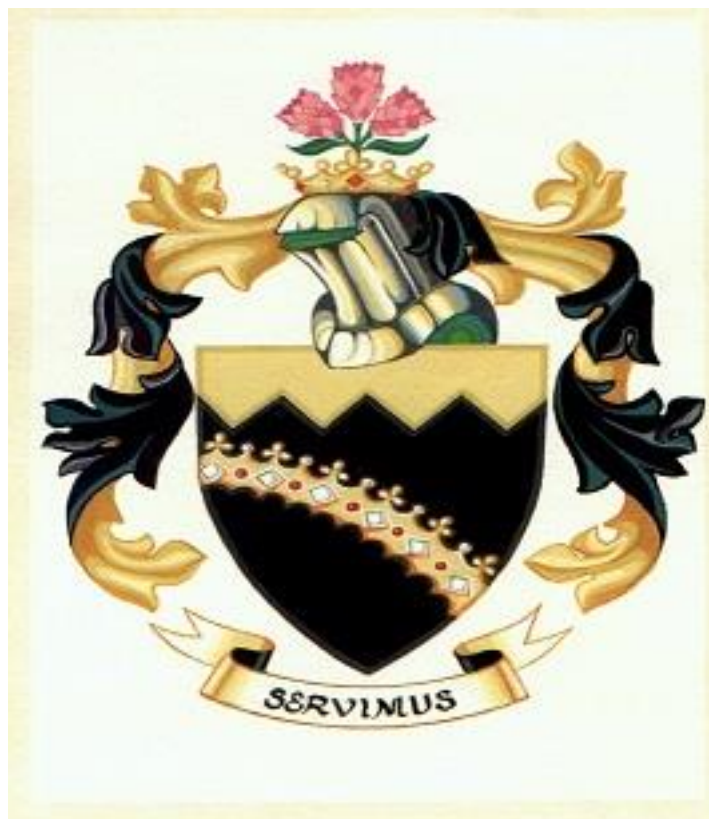


PRINCE ALBERT MUNICIPALITY 2018-19 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN



1. INTRODUCTION

The SDBIP provides the vital link between the executive mayor, council and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that ensures that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP indicates the responsibilities and outputs for each of the managers in the top management team, the inputs to be used, and the time deadlines for each output. The SDBIP therefore determines the performance agreements of the municipal manager and directors, including the outputs and deadlines for which they will be held responsible. The SDBIP further provides all expenditure information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward councillors in service delivery information. The SDBIP is also a vital monitoring tool for the executive mayor and council to monitor the in-year performance of the municipal manager and for the municipal manager to monitor the performance of directors and division heads in the municipality within the financial year. This enables the executive mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance.

2. LEGAL REFERENCE

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) defines service delivery and budget implementation plan (SDBIP) as a detailed plan for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate -

- (a) projections for each month of -
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter.

The purpose of the SDBIP is to support the Municipality's management to achieve service delivery targets as well as the spending of the capital budget within given timeframes.

Section 53 of the Municipal Finance Management Act (Act 56 of 2003) MFMA determines that the municipality's SDBIP plan must be approved by the Executive Mayor within 28 days after the approval of the annual budget. Section 53 determines further that the annual performance agreements of the Municipal Manager and directors as required in section 57 of the Municipal Systems Act (Act 32 of 2000) must be linked to the SDBIP. Section 69 of the MFMA determines that the draft SDBIP and performance agreements must be submitted to the Executive Mayor within 14 days after the approval of an annual budget. Top layer SDBIP is attached as annexure 1.

CAPITAL BUDGET PER IDP STRATEGIC OBJECTIVE

STRATEGIC OBJECTIVE	2018/19	%	2019/20	%	2020/21	%
To promote sustainable integrated development through social and spatial integration that eradicates the apartheid legacy						
To promote the general standard of living						
To provide quality, affordable and sustainable services on an equitable basis.						
To stimulate, strengthen and improve the economy for sustainable growth.						
To maintain financial viability & sustainability through prudent expenditure, and sound financial systems.						
To commit to the continuous improvement of human skills and resources to deliver effective services						
To enhance participatory democracy						

LARGEST CAPITAL PROJECTS – 2018/19

MUNICIPAL INFRASTRUCTURE GRANT					
PROJECT DESCRIPTION	2018/19	2019/20	2020/21	SOURCE OF FUNDING	PROJECT GUID
Road Infrastructure	1 760 00.00	1 253 713.00	1 563 000.00	MIG	ac63b9c7-01b6-470b-8cf2-0758578d4ad4
Side Walks Klaarstroom	250 000.00	-	-	MIG	ac63b9c7-01b6-470b-8cf2-0758578d4ad4
Side Walks – Leeu-Gamka	-	-	2 500 000.00	MIG	ac63b9c7-01b6-470b-8cf2-0758578d4ad4
Side Walks – Prince Albert	1 000 561.00	-	2 500 000.00	MIG	ac63b9c7-01b6-470b-8cf2-0758578d4ad4
Water Reservoir	1 975 285.00	-	-	MIG	ba10edbf-45f2-4777-a590-e05f4585b2fc
Upgrade Storm water Prince Albert	842 170.00	-	-	MIG	0fda24c0-d29c-4ae5-8bb9-0a3f3b51668c
Upgrade storm water – Leeu-Gamka	513 696.00	1 250 000.00	-	MIG	0fda24c0-d29c-4ae5-8bb9-0a3f3b51668c
Rehabilitation of Landfill Site	288 038.00	-	-	MIG	c3bbcdf1-19e8-4f96-9736-6ece89d8b5da
Leeu-Gamka Sport	500 000.00	-	-	MIG	33e74b23-bed4-4d33-a1c6-84e8acd0ace9
Sportfield Prince Albert	-	2 106 237.00	-	MIG	33e74b23-bed4-4d33-a1c6-84e8acd0ace9
Klaarstroom upgrade WWTW	-	2 573 000.00	767 200.00	MIG	037bf5f0-53db-4eea-81bf-fc6fb07c0847
Purchase of a Sewerage truck	900 000.00	-	-	CRR	
Purchase of a refuse truck	2 400 000.00	-	-	CRR	
Purchase of two computers, hardrive & printer	20 000.00	-	-	CRR	

Annexure 1

**Monthly projection of revenue to be collected for each
source**

WC052 Prince Albert - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		1 129	215	215	215	215	215	215	215	215	214	175	217	3 453	3 680	3 944
Service charges - electricity revenue		1 226	1 227	1 291	1 135	1 148	1 197	1 278	1 210	1 210	1 098	896	1 414	14 331	15 238	16 378
Service charges - water revenue		351	241	262	236	341	405	426	344	344	289	91	252	3 584	3 827	4 087
Service charges - sanitation revenue		250	246	239	241	235	243	248	254	254	231	232	234	2 906	3 085	3 335
Service charges - refuse revenue		145	141	138	139	132	134	136	132	132	129	131	132	1 622	1 634	1 740
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		92	33	38	33	39	35	37	39	39	38	37	1	462	462	462
Interest earned - external investments		183	213	191	186	176	182	194	28	28	225	498	176	2 280	2 280	2 280
Interest earned - outstanding debtors		120	120	125	28	28	35	36	36	36	43	43	46	698	758	820
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	271	254	492	605	0	1 012	219	219	150	182	310	3 713	3 713	3 713
Licences and permits		3	22	20	5	14	20	15	20	20	26	19	37	220	220	220
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		10 659	2 120	2 199	3 111	1 570	1 397	423	5 513	5 513	1 489	4 034	5 795	43 823	39 314	56 547
Other revenue		40	578	696	410	194	219	83	1 252	1 252	148	49	351	5 273	5 374	5 675
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		14 199	5 427	5 667	6 230	4 696	4 082	4 103	9 264	9 264	4 080	6 387	8 965	82 364	79 584	99 200
Expenditure By Type																
Employee related costs		1 633	1 612	1 632	2 135	3 005	1 644	1 554	1 691	1 691	1 697	1 724	1 820	21 839	21 814	23 479
Remuneration of councillors		256	246	256	256	256	256	256	256	256	256	274	261	3 086	3 271	3 467
Debt impairment		102	437	417	710	850	206	1 251	374	374	287	335	587	5 930	6 433	6 763
Depreciation & asset impairment		93	93	93	93	93	93	138	138	138	138	138	1 732	2 978	3 243	3 409
Finance charges		-	-	0	-	-	-	-	-	-	-	-	55	55	55	55
Bulk purchases		1 261	1 284	208	524	759	730	788	760	760	721	655	1 351	9 800	10 500	11 200
Other materials		15	40	12	46	20	69	56	63	63	45	64	145	639	934	931
Contracted services		155	422	132	493	216	738	592	674	674	482	681	1 550	6 809	6 869	6 296
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		958	1 900	1 567	1 539	1 469	1 224	4 807	3 362	3 362	5 169	2 868	2 980	31 207	26 461	43 597
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		4 472	6 032	4 316	5 796	6 667	4 961	9 442	7 319	7 319	8 795	6 740	10 481	82 342	79 580	99 197
Surplus/(Deficit)																
		9 726	(605)	1 351	434	(1 971)	(880)	(5 339)	1 945	1 945	(4 716)	(353)	(1 516)	22	3	3
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	715	936	59	284	515	7	304	304	240	7 175	1 862	12 400	12 333	10 530
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
		9 726	110	2 286	493	(1 688)	(365)	(5 332)	2 249	2 249	(4 475)	6 822	346	12 422	12 336	10 533
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	9 726	110	2 286	493	(1 688)	(365)	(5 332)	2 249	2 249	(4 475)	6 822	346	12 422	12 336	10 533

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Annexure 2

**Monthly projection for expenditure (operating and capital) and
revenue for each vote**

WC052 Prince Albert - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		2 676	2 676	2 676	2 676	2 676	2 676	2 676	2 676	2 676	2 676	2 676	32 115	33 873	33 871	
Vote 2 - DIRECTOR FINANCE		1 072	1 072	1 072	1 072	1 072	1 072	1 072	1 072	1 072	1 072	1 072	12 860	13 196	13 438	
Vote 3 - DIRECTOR CORPORATE		68	68	68	68	68	68	68	68	68	68	68	819	1 959	2 959	
Vote 4 - DIRECTOR COMMUNITY		2 045	2 045	2 045	2 045	2 045	2 045	2 045	2 045	2 045	2 045	2 045	24 536	18 404	33 166	
Vote 5 - DIRECTOR TECHNICAL SERVICES		2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	24 434	24 485	26 297	
Total Revenue by Vote		7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	94 764	91 917	109 730	
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		619	619	619	619	619	619	619	619	619	619	619	7 422	7 872	8 327	
Vote 2 - DIRECTOR FINANCE		973	973	973	973	973	973	973	973	973	973	973	11 679	12 671	13 377	
Vote 3 - DIRECTOR CORPORATE		579	579	579	579	579	579	579	579	579	579	579	6 942	8 497	9 875	
Vote 4 - DIRECTOR COMMUNITY		2 218	2 218	2 218	2 218	2 218	2 218	2 218	2 218	2 218	2 218	2 218	26 613	20 795	35 858	
Vote 5 - DIRECTOR TECHNICAL SERVICES		2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	2 474	29 686	29 746	31 759	
Total Expenditure by Vote		6 862	6 862	6 862	6 862	6 862	6 862	6 862	6 862	6 862	6 862	6 862	82 342	79 580	99 197	
Surplus/(Deficit) before assoc.		1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 422	12 336	10 533	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 422	12 336	10 533	

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Annexure 3

Monthly capital expenditure per municipal vote

WC052 Prince Albert - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTOR FINANCE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - DIRECTOR CORPORATE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTOR COMMUNITY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DIRECTOR TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	20	-	-	-	-	-	-	-	20	-	-
Vote 2 - DIRECTOR FINANCE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - DIRECTOR CORPORATE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTOR COMMUNITY		-	-	-	-	500	-	-	-	-	-	-	-	500	2 106	-
Vote 5 - DIRECTOR TECHNICAL SERVICES		1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	15 180	10 227	10 530
Capital single-year expenditure sub-total	2	1 265	1 265	1 265	1 265	1 785	1 265	1 265	1 265	1 265	1 265	1 265	1 265	15 700	12 333	10 530
Total Capital Expenditure	2	1 265	1 265	1 265	1 265	1 785	1 265	1 265	1 265	1 265	1 265	1 265	1 265	15 700	12 333	10 530

Annexure 4

Performance indicators and benchmarks (operating budget)

WC052 Prince Albert - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.0%	0.2%	0.2%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	12.1%	1.4%	1.4%	0.0%	0.1%	0.1%	0.1%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	–	–	2.8	4.4	4.4	–	4.4	4.8	5.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	–	2.8	4.4	4.4	–	4.4	4.8	5.2
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	–	2.3	3.6	3.6	–	3.5	3.9	4.2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	85.0%	85.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	85.0%	85.0%	85.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	6.3%	9.2%	9.2%	0.0%	9.3%	10.6%	9.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	21.5%	25.2%	25.2%	0.0%	26.0%	23.5%	21.4%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	27.1%	25.2%	25.2%	0.0%	26.5%	27.4%	23.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	31.4%	29.3%	29.3%		30.3%	31.5%	27.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	14.2%	1.5%	1.5%		12.7%	11.6%	9.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	4.2%	4.0%	4.0%	0.0%	3.7%	4.1%	3.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	–	11.2	11.2	11.2	–	13.1	13.5	14.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	17.4%	27.3%	27.3%	0.0%	28.9%	30.3%	31.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	–	5.9	6.9	6.9	–	6.2	7.3	7.4

Annexure 4

Town information for expenditure and service delivery

Project ref	Project description	Budget			Source of funding
		2018/19	2019/20	2020/21	
Prince Albert					
	Road infrastructure	1 760 000.00	1 254 000.00	1 563 000.00	MIG
	Side Walks in Prince Albert	1 000.561.00	-	2 500 000.00	MIG
	Water reservoir	1 975 285.00	-	-	MIG
	Upgrade storm water Prince Albert	842 170.00	-	-	MIG
	Rehabilitation of landfill site	288 038.00	-	-	MIG
	Sportfield Prince Albert	-	2 106 237.00	-	MIG
	Sewerage truck	900 000.00	-	-	CRR
	Garbage truck	2 400 000.00	-	-	CRR
			-	-	
Klaarstroom					
	Side Walks Klaarstroom	250 000.00	-	-	MIG
	Klaarstroom upgrade WWTW	-	2 573 000.00	767 200.00	MIG
			-	-	
Leeu-Gamka					
	Side walks Leeu-Gamka		-	2 500 000.00	MIG
	Upgrade storm water – Leeu-Gamka	513 696.00	1 250 000.00	-	MIG
	Leeu-Gamka Sport	500 000.00	-	-	
			-	-	